GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:679
ANSWERED ON:16.08.2007
SHORTAGE OF LNG
Singh Shri Dushyant

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is a severe scarcity of Liquefied Natural Gas (LNG) in the country;

(b) if so, the position of the demand and availability of LNG as on date; and

(c) the steps taken to meet the growing demand of LNG?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) and (b): One of the sources of natural gas is Liquefied Natural Gas(LNG), which is imported in liquid form and then regasified before use. The demand for Regasified Liquefied Natural Gas (RLNG) is not assessed separately. It depends on the total demand for natural gas in the country.The Working Group on Petroleum & Natural Gas Sector for the XI Plan has projected the demand of natural gas for 2007-08 at 179.17 Million Standard Cubic Meters Per Day (MMSCMD). The average availability of natural gas in the country in 2006-07 was around 96 MMSCMD, including 23 MMSCMD of RLNG.The shortfall in availability compared to demand of natural gas could be made up, inter alia, by import of LNG. During 2006-07, about 6.95 MMT LNG was imported which is equivalent to about 23 MMSCMD of RLNG.

(c) There is a large gap between demand and supply of natural gas in the country.The Government of India has adopted a multi-pronged strategy to augment gas supplies and bridge the gap between supply and demand for the domestic market through:

(1) Intensification in domestic E&P activities;

(2) Exploitation of unconventional sources, like coal bed methane:

(3) Implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation.

(4) Import of gas through transnational gas pipelines.

(5) Import of gas as LNG

To increase the import of LNG, additional LNG infrastructure is being created in the country. Dahej LNG terminal would be expanded from current 5 MMTPA capacity to 10 MMTPA. Dabhol LNG terminal is expected to be completed by end of March 2008; this terminal will become fully operational after completion of breakwater facilities in May 2010. Petronet LNG Ltd. (PLL) is taking up 2.5 MMTPA capacity Kochi LNG terminal with provision of expansion upto 5 MMTPA.

In addition to the existing supplies of LNG, the supply of 2.5 MMTPA of LNG from RasGas Qatar will commence in 2009. Further, PLL and GAIL are in active discussion with various potential suppliers for long-term tie up of LNG.

Currently two LNG terminals namely 5 MMTPA Dahej LNG terminal of Petronet LNG Ltd. (PLL) and 2.5 MMTPA Hazira LNG terminal of Hazira LNG Pvt. Ltd. (HLPL) are in operation. To cater to larger LNG import, additional LNG infrastructure is being created. Dahej LNG terminal is being expanded from current 5 MMTPA capacity to 10 MMTPA capacity. The expanded facility is expected to be commissioned by last quarter of 2008. Dabhol LNG terminal is expected to be completed by end of March 2008. The terminal will become fully operational after completion of breakwater facilities in May 2010. 2.5 MMTPA capacity Kochi LNG terminal with provision of expansion upto 5 MMTPA, is expected to be commissioned in 2010-11.

In addition to the existing supplies of LNG, the supply of 2.5 MMTPA of LNG from RasGas Qatar will commence in 2009.Further PLL and GAIL are in active discussions with various potential suppliers for long-term tie up of LNG.